

Joe's Green Guarantee

Biden, White House pressured green energy loan, contrary to Obama's statement, emails show

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Vice President Joe Biden and the White House pressured the Department of Energy to issue a loan guarantee in 2010 for a wind farm in Oregon, undermining the president's claim of political neutrality in the loan process, according to emails released recently by a key congressional committee.

The Department of Energy (DOE) [issued](#) numerous loans to support businesses as part of the 2009 stimulus. In an interview before the election, the president [hailed](#) the loans program for creating "jobs all across the country" and asserted that decisions about the loans are "made by the Department of Energy, they have nothing to do with politics."

[Internal emails](#) released on Oct. 31 by the House Oversight and Government Reform Committee suggest a different story, however.

The Energy Department's [loan guarantee](#) to Caithness Energy's Shepherds Flat wind farm project in Oregon was approved after the application of significant pressure throughout the vetting process from high-level officials, including from the White House and the office of the vice president.

"[The] emails indicate that senior administration officials—including those at the White House—were involved in approving specific projects, applying inappropriate pressure on career employees," said Ali Ahmad, communications adviser to the Oversight and Government Reform Committee.

If the Caithness Energy project were to go through, it would be one of the largest wind farms in the world—a fact that the Loan Program Office's [website](#) prominently highlights now. The Obama administration trumpets its commitment to green energy projects but has few successes to tout thus far compared to the billions of taxpayer dollars spent.

One of the earliest mentions of the Shepherds Flat wind farm in the released emails is an exchange dated July 27, 2010, between several Energy Department officials, including the Loan Program Office Executive Director Jonathan Silver.

One email said: “We need to figure out how to properly characterize Shepherd’s [sic] Flat as WH is considering whether to have top principal involved.”

The conditional guarantee of the loan was issued Oct. 8, 2010, just over two months later, according to [Sustainable Business Oregon](#).

It is unclear exactly who the White House’s “top principal” is and why the White House was getting involved in the loan so early in the process.

DOE Loan Program Office Chief Credit Advisor Jim McCrea wrote on Sept. 2, 2010, “Shepherd’s [sic] Flat has been transmitted to OMB. I am starting transmittal to Treasury.”

The Department of the Treasury played an advisory role in making the loan guarantees and the Office of Management and Budget ultimately approved them.

There is no indication that they had received any information on the Shepherds Flat project before the beginning of September, raising further questions about why the White House was considering getting involved so early.

McCrea sent an email time stamped 1:18 AM a week later indicating that Biden was applying pressure for the loan while it was still under consideration. McCrea wrote, in part, “Pressure is on real heavy on SF due to interest from VP.”

An email later that day from McCrea confirmed the loan has not been approved and implied that there was pressure for the Shepherds Flat loan to proceed. McCrea wrote in an email later that morning:

Also, as we go through the Shepherds Flat process with both OMB and Treasury, we will get a lot more questions as you know. We are going to have to be very fast in turning around responses and

sending them to both. To do otherwise, will leave us firmly on the political path and give the agencies an opportunity to blame us when they are pressures [sic] to make decisions. As you all know, the pressures to make decisions on this transaction are high so speed is of the essence.

McCrea does not indicate where the “pressures to make decisions” came from, but his earlier email indicates that the vice president was turning up the heat on the departments.

An email dated Sept. 27, 2010, with the subject line “Calculations for Treasury—Shepherds Flat” indicated that a “big meeting” took place at the White House on Sept. 24, 2010 between the Departments of Energy and the Treasury, as well as the Office of Management and Budget.

The Department of Treasury raised substantive questions about the loan, implying that the loan deal was still not completed when the departments convened at the White House.

It is unclear why the meeting about an unfinished loan deal occurred at the White House, given President Barack Obama’s assurance that decisions about the loan were made by the Department of Energy.

The Department of Energy did not return a request for comment.

A later email reveals the White House had a special interest in this project and was directly encouraging the departments to complete the loan.

Energy Secretary Steven Chu’s Chief of Staff Brandon Hurlbut wrote an email to Silver on Sept. 30, 2010: “Wh decided chu and geithner need to speak first thing in morning to make sf announcement happen.”

Hurlbut requested that Silver draft some talking points for Chu. One of the talking points said, “We need to get the Shepherds Flat deal done so that the President can make it the centerpiece of his radio address on Saturday.”

This email implies that political pressure at least sped up the completion of the loan.

“The loan program set out to pick winners and losers using taxpayer funds,” Ahmad said. “Supposed safeguards for keeping politics out of decisions were repeatedly ignored.”

“Politicization is the reason the loans are there in the first place,” said David Kreutzer, an energy economics expert at the Heritage Foundation.

Kreutzer testified about the loan program before the House Subcommittee on Energy and Power earlier this year. He said the Department of Energy used two criteria for making the loans.

“The first criterion was that projects should be commercially viable. The second was that those seeking funding must demonstrate that the projects cannot get private financing,” he said in [testimony](#).

“There’s no intersection there,” Kreutzer told the *Washington Free Beacon*. Commercially viable projects can receive private financing, he said.

Caithness Energy’s political action committee has donated heavily to Democrats. It contributed \$10,600 to campaigns in the 2008 cycle, all to Democrats; it donated \$31,857 in 2012, 88 percent of which went to Democrats.

“If the politics weren’t involved, we wouldn’t have the loans in the first place.”